

Quarterly Progress Report, October 1 through December 31, 2016
Management Assistance Agreement for the Grants Uranium Mining District
TRONOX Mine Sites
Assistance Agreement V-01F06501-0

SUMMARY OF ACTIVITIES

Management Assistance activities are being performed by the Energy, Minerals and Natural Resources Department (EMNRD) - Mining Minerals Division (MMD) for Tronox mine sites (principally regarding sites in the State of New Mexico), in accordance with the EPA Superfund-Tronox Settlement, and through EPA/New Mexico Environment Department (NMED) Cooperative Agreement #V-01F06501-0. MMD staff's activities for the 1st Quarter of FFY17 are presented herein. The approximate number of hours reported below covers the period of October 1 through December 31, 2016. NMED's Administrative Services Division will submit signed copies of the Financial Status Reports directly to EPA.

MMD, under EPA's Cooperative Agreement with NMED, received an initial award of \$104,031.00 on August 6, 2015 to support "...meaningful and substantial State Agency involvement in oversight, review and comment of technical reports, attendance at technical and public meetings, and to ensure remedial activities are completed in accordance with applicable laws" (USEPA CA Notice of Award Document, 08/06/15). MMD staff expended approximately 26 hours, resulting in an estimated amount of \$1,801.11 being applied toward Tronox-related activities during the current reporting period, as detailed below.

A. Activities Performed in Support of the Tronox Settlement by the EMNRD - MMD

MMD staff members David Ennis, Michael Coleman and Holland Shepherd participated in planning sessions, attended community outreach, agency, industry, and Tronox Navajo Abandoned Uranium Mines (NAUM) Quarterly meetings, communicated with EPA staff regarding current and forthcoming technical and administrative issues, and reviewed a number of documents, presentations and information handouts pertinent to Tronox work in NM and AZ that were provided by Federal, State and Tribal partners. Documents reviewed or prepared by EMNRD personnel, and subsequently added to MMD-Mining Act Reclamation Program (MARP) project files, included:

- Tronox-Joint Agency NAUM October 2016 Quarterly Meeting (with EPA Regions 6 & 9, Navajo Nation, State of NM)– agenda items, presentations and handout materials:
 - Spencer Mine Case Study (J. Smith, MMD-CMRP)
 - General Tronox Project Update
 - Navajo Nation (NN) Workforce Development, Cooperative Agreements and Contracting
 - NN EPA and AML Updates
 - Proposed FFY 17 Projects
 - Project Updates – NN in AZ and NM; Eastern Agency / Ambrosia Lake (EPA-6)
- *Preliminary Assessment Report – San Mateo Creek Legacy Uranium Sites, McKinley and Cibola counties, New Mexico*; March 2008; NMED Ground Water Quality Bureau-SOS, Santa Fe, NM; CERCLIS ID NM00060684; 467p.; Electronic copy provided by M. Purcell, EPA Region 6, Dallas
- Purcell, Mark, October 20, 2016 (ver. 4), *Ground Water Investigation of San Mateo Creek Basin Uranium Legacy Site – Tronox NAUM Ambrosia Lake Impact Area*; .pdf version of US EPA PowerPoint presentation developed for Tronox Quarterly Meeting (10/19/16), Albuquerque, NM.
- Information regarding the EPA Remedy Review Board, accessed electronically on web at:
<https://www.epa.gov/superfund/national-remedy-review-board-nrrb>

In addition to documents reviewed above, MMD staff routinely prepares for and participates in a variety of

meetings and fields calls from EPA and other state agencies to discuss ongoing issues relating to the Grants uranium district or specific Tronox mine sites. The following activities table highlights significant MMD communications, review and comments of reports or work plans, meetings, and site activities for the 1st Quarter of FFY17:

Week	Activities
10/2 to 10/8	Follow-up to previous EPA On-Site Coordinator's inquiry: as a result of researching personal GMD files, provided stratigraphic formation depths within Poison Canyon Trend of Grants District for EPA's project development;
10/16 to 10/22	<p>Attended a series of meetings in NM this week: <u>Agency meeting</u> on Wed., 10/x/16 with EPA, NMED and MMD (technical and legal staffs) at EMNRD Secretary's conference room; Participated in Thurs., 10/20/16 <u>Tronox Quarterly meeting</u> at BIA, Albuquerque, with State, Federal and Tribal partners; Attended <u>EPA, State and Rio Algom Mining Ltd. (RAML) meeting</u> involving technical presentations (EPA & Intera) at Sheraton Albuquerque Airport Hotel on Fri. 10/21/16; Received version 4 of Purcell's San Mateo Creek Groundwater Investigation (PowerPoint presentation);</p>
11/13 to 11/19	Attend Tues. 11/15 <u>EPA Community Meeting</u> at NM Hwy. 605/509 "The Crossroads" (Ambrosia Lake Outreach Center): Local residents receive updates on 5-Year Plan, proposed Tronox activities, San Mateo Basin water studies, limited discussion re: Homestake mill site, initial mention of possible NPL listing for Ambrosia Lake region; <u>Agency meeting</u> held at MMD, Santa Fe, <u>with EPA, MMD, NMED and State Land Office</u> – information and project updating;
12/4 to 12/10	MMD attended <u>EPA's data review session at NMED</u> re: San Mateo Basin mines, groundwater contamination across the basin; Assist with EPA request for mine locations and groundwater information from same area from MMD's files; Coordinate file review and copies for EPA.
12/11 to 12/17	Respond to EPA-6 and Grants OSC request for information re: Faith Mine, Poison Canyon Sub-district, GMB – provide insight to ASPECT elevated exposure rate anomaly; Provided info re: operating history and technical references to aid their determination of shaft and waste rock pile locations;
12/18 to 12/24	Receive & review electronic copy of NMED report (provided by M. Purcell, EPA) - San Mateo Creek Legacy Uranium Sites;

A. Planned Activities for the Next Quarter

The following activities are anticipated over the next three months, during January-March, 2017:

- Respond to EPA/Weston request for information on uranium mines in Sections 17, 19, 30, 33; perform records review and coordinate with EPA/Weston
- Continue planning with EPA on the Ambrosia Lake East GSA remediation and cleanup
- Review and/or provide comments to the EPA Remedy Review Board on the Ambrosia Lake East GSA EE/CA
- Review and/or provide comments to the EPA Remedy Review Board on the Quivira Mine EE/CA
- Continue to assist EPA with superfund designation of Ambrosia Lake area
- Review and furnish comments on workplans and reports submitted by EPA/Weston or others
- Prepare, coordinate, and attend the quarterly Tronox Agency meeting

B. Other Issues

No other issues were identified during this quarter.

C. Contracts and Expenditures

1. Work Orders (WO) (section may not apply)

The total contract services WOs approved prior to this quarter is \$00,000. All WO and WO amendments for contract services through the 1st quarter of FFY17 under this cooperative agreement are listed below.

Contractor	Work Order	Dated	Amount	Comments
WO TOTAL				

2. Contractual Services Expenditures (section may not apply)

Expenditures for contractual services during the 1st quarter of FFY17 are described in the table below.

Contractor	Payment date	Amount	Comments

D. Administrative Activities:

- It was necessary for MMD to develop a new Memorandum of Agreement (MOA) with NMED to arrange for pass-through of the EPA funding for this project. The task required considerable time to be completed at the highest levels of each state agency. As such, while MMD was a charter member of the Tronox process, the agency got a late start at activating its dedicated, federally-supported Tronox program, which is budgeted for the project period of 8-3-2015 until 6-30-2017. Therefore, extension by the EPA (or perhaps imminent re-application) will be sought in the short term to continue this project.
- MMD responded to a December 2016 request for specific budget information from the NMED-Superfund Oversight Section (originating at EPA-6) for forecasted budget expenditures for the remainder of FFY 17. MMD responded with a reasonable and moderate anticipated burn rate through 6/30/2017, for reasons noted above, given the present status of project planning for anticipated mine site clean-ups and reclamation project implementations.

E. Progress Reporting

This is the first progress report submitted to NMED/EPA under Assistance Agreement V-01F06501-0. It occurs following the application for, award and receipt of the federal grant funding and development of MMD's MOA with NMED, departmental budget accounts and billing codes.